

**REPORT OF THE COMMITTEE ON LEGISLATION,
INTERGOVERNMENTAL AND VETERANS RELATIONS**

May 28, 2008

The Honorable,
The Board of Commissioners of Cook County

ATTENDANCE

Present: Chairman Suffredin, Vice Chairman Silvestri and Commissioners Beavers, Butler, Claypool, Daley, Gorman, Goslin, Maldonado, Moreno, Murphy, Peraica, Quigley, Schneider and Sims (15)

Absent: Commissioners Collins and Steele (2)

Also Present: Patrick T. Driscoll, Jr. - Deputy State's Attorney, Chief, Civil Actions Bureau; Elizabeth Reidy - Deputy Chief, Civil Actions Bureau; David Ansell, MD, MPH - Chief Medical Officer, Associate Dean and Vice President of Hospital Affairs, Rush University Medical Center; Warren L. Batts - Retired Chairman and Chief Executive Officer, Premark International; Sister Sheila Lyne, RSM - President and Chief Executive Officer, Mercy Hospital Medical Center; Luis Munoz, MD - Director of Occupational Medicine, WorkCare Medical Management

Court Reporter: Anthony W. Lisanti, C.S.R.

Ladies and Gentlemen:

Your Committee on Legislation, Intergovernmental and Veterans Relations of the Board of Commissioners of Cook County met pursuant to notice on Wednesday, May 28, 2008 at the hour of 10:00 A.M. in the Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

Your Committee has considered the following item and upon adoption of this report, the recommendations are as follows:

294146 CANDIDATES FOR THE INTERIM BOARD OF DIRECTORS OF THE COOK COUNTY BUREAU OF HEALTH (ADDITIONAL APPOINTMENTS). Transmitting a Communication from Todd H. Stroger, President, Cook County Board of Commissioners, dated May 15, 2008.

With the restructuring and reorganization of the Bureau of Health Services, the passage of adequate new revenue found in the 2008 Budget and an agreement on the legislation needed to establish an independent hospital governance, the County Board, under my leadership, is poised to take the next step, in a series of positive steps, to preserve the Cook County Health Care System.

As this process moves forward, it is important to affirm that all of the parties involved have worked with genuine concern for the long-term well-being of our health system. The organizations which participated in the Nominating Committee did a tremendous job in forwarding a solid group of individuals. Additionally, I believe the County Board did their duty in analyzing the nominees presented by this administration. This is not a perfect process (and it is not enough to merely vote "no"), but it is the process we must move forward in order to ensure that our children's generation has universal access to quality health care in Cook County.

Based on the amendments passed by the Board to the Cook County Health and Hospitals System Ordinance, I am transmitting the names of four additional persons to serve:

- David Ansell, MD, MPH: Chief Medical Officer, Associate Dean and Vice President of Hospital Affairs, Rush University Medical Center;
- Warren L. Batts: Retired Chairman and Chief Executive Officer, Premark International;
- Sister Sheila Lyne, RSM: President and Chief Executive Officer, Mercy Hospital Medical Center; and
- Luis Munoz, MD, MPH: Director of Occupational Medicine, WorkCare Medical Management

Their vast experience in health care administration, as well as their backgrounds in both the public and private sectors, will be much-needed assets. I am confident that these four individuals will bring professional and independent oversight and I therefore urge the Board of Commissioners to provide for their swift confirmation.

*** Referred to the Committee on Legislation, Intergovernmental and Veterans Relations on May 20, 2008.**

Chairman Suffredin explained the procedures that would be used for the meeting. First, testimony from the public would be taken on all proposed nominees. Next, each proposed nominee would provide a brief presentation of their qualifications, after which Committee members would be given the opportunity to ask questions of the proposed nominee. Finally, the Committee members would take a roll call vote on each proposed nominee after all had presented to the Committee.

The proposed nominees presented in the following order:

1. David Ansell, MD, MPH
2. Sister Sheila Lyne, RSM
3. Luis Munoz, MD, MPH
4. Warren L. Batts

Chairman Suffredin asked the Secretary to the Board to call upon the registered public speakers; in accordance with Cook County Code, Sec. 2-108(dd):

1. Quentin Young, MD Chairman, Health and Medicine Policy Research Group
2. George Blakemore Concerned Citizen

Chairman Suffredin requested that a communication received from the Emergency Network to Save Cook County Health Services be made a part of the record. (See Attachment #1.)

David Ansell provided a brief overview of his qualifications, which was followed by a question and answer session with the Committee members.

Sister Sheila Lyne provided a brief overview of her qualifications, which was followed by a question and answer session with the Committee members.

Luis Munoz provided a brief overview of his qualifications, which was followed by a question and answer session with the Committee members.

Warren L. Batts provided a brief overview of his qualifications, which was followed by a question and answer session with the Committee members.

Chairman Suffredin requested that a copy of the testimony of July 10, 1997 of Warren L. Batts before the Subcommittee on Social Security of the House Committee on Ways and Means be made a part of the record. (See Attachment #2.)

Vice Chairman Silvestri, seconded by Commissioner Daley, moved to concur with the recommendation of the President (Communication Number 294146) and to confirm the nomination of David Ansell to the Cook County Health and Hospitals System Board of Directors. A Roll Call was taken, the vote of yeas and nays being as follows:

**ROLL CALL TO CONCUR WITH THE RECOMMENDATION OF THE PRESIDENT
AND TO CONFIRM THE NOMINATION OF DAVID ANSELL TO THE COOK COUNTY
HEALTH AND HOSPITALS SYSTEM BOARD OF DIRECTORS
(COMMUNICATION NUMBER 294146)**

Yeas: Chairman Suffredin, Vice Chairman Silvestri and Commissioners Butler, Claypool, Daley, Gorman, Goslin, Moreno, Murphy, Quigley, Schneider and Sims (12)

Nays: Commissioners Maldonado and Peraica (2)

Absent: Commissioners Beavers, Collins and Steele (3)

The motion to concur and confirm CARRIED.

Vice Chairman Silvestri, seconded by Commissioner Murphy, moved to concur with the recommendation of the President (Communication Number 294146) and to confirm the nomination of Sister Sheila Lyne to the Cook County Health and Hospitals System Board of Directors. A Roll Call was taken, the vote of yeas and nays being as follows:

**ROLL CALL TO CONCUR WITH THE RECOMMENDATION OF THE PRESIDENT
AND TO CONFIRM THE NOMINATION OF SISTER SHEILA LYNE TO THE COOK
COUNTY HEALTH AND HOSPITALS SYSTEM BOARD OF DIRECTORS
(COMMUNICATION NUMBER 294146)**

Yeas: Chairman Suffredin, Vice Chairman Silvestri and Commissioners Butler, Claypool, Daley, Gorman, Goslin, Moreno, Murphy, Peraica, Quigley, Schneider and Sims (13)

Nays: Commissioner Maldonado (1)

Absent: Commissioners Beavers, Collins and Steele (3)

The motion to concur and confirm CARRIED.

Vice Chairman Silvestri, seconded by Commissioner Moreno, moved to concur with the recommendation of the President (Communication Number 294146) and to confirm the nomination of Luis Munoz to the Cook County Health and Hospitals System Board of Directors. A Roll Call was taken, the vote of yeas and nays being as follows:

**ROLL CALL TO CONCUR WITH THE RECOMMENDATION OF THE PRESIDENT
AND TO CONFIRM THE NOMINATION OF LUIS MUNOZ TO THE COOK COUNTY
HEALTH AND HOSPITALS SYSTEM BOARD OF DIRECTORS
(COMMUNICATION NUMBER 294146)**

Yeas: Chairman Suffredin, Vice Chairman Silvestri and Commissioners Butler, Claypool, Daley, Goslin, Moreno, Murphy, Peraica, Quigley and Sims (11)

Nays: Commissioners Gorman, Maldonado and Schneider (3)

Absent: Commissioners Beavers, Collins and Steele (3)

The motion to concur and confirm CARRIED.

Vice Chairman Silvestri, seconded by Commissioner Goslin, moved to concur with the recommendation of the President (Communication Number 294146) and to confirm the nomination of Warren L. Batts to the Cook County Health and Hospitals System Board of Directors. A Roll Call was taken, the vote of yeas and nays being as follows:

**ROLL CALL TO CONCUR WITH THE RECOMMENDATION OF THE PRESIDENT
AND TO CONFIRM THE NOMINATION OF WARREN L. BATTS TO THE COOK
COUNTY HEALTH AND HOSPITALS SYSTEM BOARD OF DIRECTORS
(COMMUNICATION NUMBER 294146)**

Yeas: Chairman Suffredin, Vice Chairman Silvestri and Commissioners Butler, Claypool, Daley, Gorman, Goslin, Moreno, Murphy, Quigley, Schneider and Sims (12)

Nays: Commissioner Maldonado (1)

Present: Commissioner Peraica (1)

Absent: Commissioners Beavers, Collins and Steele (3)

The motion to concur and confirm CARRIED.

Commissioner Quigley, seconded by Vice Chairman Silvestri, moved to adjourn the meeting. The motion carried and the meeting was adjourned.

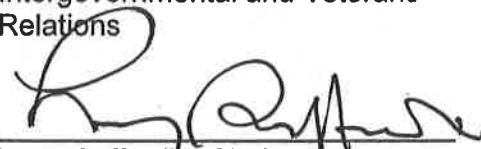
**YOUR COMMITTEE RECOMMENDS THE FOLLOWING ACTIONS
WITH REGARD TO THE MATTERS NAMED HEREIN:**

Communication Number 294146

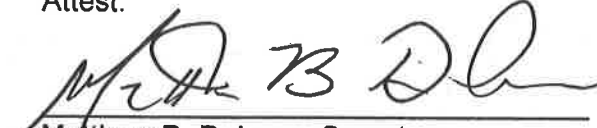
Approved

David Ansell	Nomination Confirmed
Sister Sheila Lyne	Nomination Confirmed
Luis Munoz	Nomination Confirmed
Warren L. Batts	Nomination Confirmed

Respectfully submitted,
Committee on Legislation,
Intergovernmental and Veterans
Relations


Larry Suffredin, Chairman

Attest:


Matthew B. DeLeon, Secretary

** The transcript and audio recording for this meeting is available from the Office of the Secretary to the Board, 118 North Clark Street, Room 567, Chicago, IL 60602.

Emergency Network to Save Cook County Health Services

~~restoring committed leadership, sound managerial practices, and public trust in the Cook County Bureau of Health Services~~
~~470 Citizen Action/ Illinois 28 E. Jackson St. 605 Chicago IL 60604 312/427-7114 or www.citizenaction-il.org~~

The Emergency Network to Save Cook County Health Services has grave concerns regarding the confirmation of Warren Batts to the Independent Board of Directors for the Bureau of Health Services.

The Emergency Network is unable to support Batts' confirmation to the Health Board, due to his public opposition to *Medicare and Social Security* and his lack of commitment to public healthcare. The Emergency Network believes that members of the Health Board must be citizens committed to delivering healthcare to all regardless of their ability to pay.

As Chairman of the National Association of Manufacturers, Warren Batts aligned himself with an organization, which has historically supported the privatization of America's healthcare system and Social Security System.

In regards to healthcare policy, the National Association of Manufacturers has publicly stated, "that private market solutions are superior to huge government-run programs." The Emergency Network questions how Mr. Batts could be entrusted to run a "huge government-run program" like the Cook County Bureau of Health Services, if he fundamentally opposes government healthcare initiatives.

Secondly, the Emergency Network has many questions for Mr. Batts regarding his public comments on America's Social Security System. In July of 1997, Mr. Batts testified before the Subcommittee on Social Security of the House Committee on Ways and Means. In his opening statements, Batts stated that "two programs of the federal government present significant threats to the continued vitality of the U.S. economy: One is Medicare; the other is the Social Security retirement system." Batts' solution for addressing the fiscal insolvency of America's Social Security System was privatization – individuals should "own" their retirement savings, no less than they own a piece of real estate or shares of stock.

Lastly, Warren Batts serves as a Governor of the United Republican Fund, an organization dedicated to advancing conservative principles, ideas and policies. The United Republican Fund has as one of their main principles that "government should only intervene to establish minimum health and safety standards, and encourage competition."

The Emergency Network questions how Warren Batts could faithfully serve as a steward of a healthcare system when it appears that he has aligned himself with organizations that oppose government-run healthcare programs, and have favored instead the privatization of public initiatives.

With the exception of Warren Batts, the Emergency Network commends President Todd Stroger's selections to the Independent Board of Directors for the Bureau of Health Services, and we would like to thank President Stroger for taking the first step to restore the Bureau of Health Services by putting forth well-qualified and committed individuals to serve as the directors of the county's healthcare system.

With the selection of President Stroger's other nominees to the Health Board, the Emergency Network believes that ongoing expertise will be put in place – giving people the care they deserve. We urge the Cook County Board of Commissioners to accept President Stroger's nomination of Dr. David Ansell, Dr. Luis Munoz, and Sister Sheila Lyne, so that the Cook County will have the historic opportunity to make the Bureau of Health Services one of the finest healthcare in America, even stronger.

Statement of Warren L. Batts, Chairman and CEO
Tupperware Corporation and Chairman Premark International, Inc.

Testimony Before the Subcommittee on Social Security
of the House Committee on Ways and Means

Hearing on "The Future of Social Security for this Generation and the Next"
Members of Congress and Business and Labor Groups

July 10, 1997

Thank you Chairman Bunning. I am Warren Batts, Chairman and CEO of the Tupperware Corporation, and Chairman of Premark International, Inc., and of the National Association of Manufacturers. I am pleased to represent the NAM today in testifying before this subcommittee.

This morning, I shall make observations concerning:

- * The importance of economic growth to all Americans, and the negative effects of unreformed entitlement programs on such growth;
- * Certain "principles" for reform of the current Social Security System, offered for the consideration of this Subcommittee; and,
- * A suggested "demonstration program" as a way to test the popularity and feasibility of reforms.

Entitlement programs, economic growth, and fundamental fairness to Americans.

Mr. Chairman, two programs of the federal government present significant threats to the continued vitality of the U.S. economy: One is Medicare; the other is the Social Security retirement system.

I don't make this statement for the sake of dramatic effect. In fact, if my objective were to shock the Subcommittee and members of Congress, I could find words more pointed than that the programs "significantly threaten the vitality" of our national economy. The truth of the matter is that Medicare and Social Security constitute promises which are beyond the ability of the government to pay. The projected costs of the programs exceed the funds that will be available. And if government sought to raise enough additional funds through new levels of taxes to pay for the continuing shortfall, the economy would simply get turned on its head, with both individuals and businesses contributing increasing portions of their earnings to pay for entitlement programs out of control.

Neither this economy nor any economy has the strength and resiliency to absorb the necessary level of tax increases to pay for these programs and remain competitive in the global marketplace. Global competition destroys those who are complacent or inefficient, or those whose organizing principles come from obsolete ideologies. If we lose our ability to compete effectively in this marketplace, our economy becomes static. At the very least, it can no longer grow; in fact, it is far more likely to decline.

And growth, Mr. Chairman, is what America is all about.

America is an idea based on growth, where successive generations have invested their energy and human capital, no less than their savings, in hopes of material and social progress. And through economic growth, America has achieved a high degree of fairness for individuals. Indeed, any lack of

growth by specific groups within our American society is taken as an immediate signal of a lack of fairness.

As this century draws to a close, the rest of the world looks to us, even if it sometimes fails to admit it, and seems finally to have learned what Americans have known since the nation was founded: Economic growth is the best way of accomplishing fairness for individuals within a society. Nations have burned their ideological textbooks and are studying American institutions, beginning with the economic institution that is the individual. Growth is achieved through investment of human and fiscal capital in productive enterprise. Such investment will continue only if the government forebears confiscating the savings of individuals and businesses in order to pay the compounding liabilities of unreformed entitlement programs.

Entitlement programs threaten our economic well-being collectively, and threaten the fairness to all of us as individuals.

Social Security reform and economic growth --

Economic growth through increased productivity and competitiveness of U.S. manufacturers remains the most significant goal pursued by the National Association of Manufacturers since its founding more than 100 years ago. The significant attention by the NAM to the critical need to reform our entitlement programs indicates the relative importance we accord the issue. Even more than issues affecting trade, regulatory reform or tax policy, the NAM has identified reform of the entitlement programs as the issue most important to economic growth for American business and economic independence for individuals.

Growing awareness of structural imbalance of the Social Security system --

Reform or restructuring of the Medicare system is, of course, an enormous issue. In recent weeks, Congress and the White House have shown increased awareness of the need to address Medicare more broadly. This series of hearings on the Social Security system provides evidence of increased debate of the issue. The title of these hearings, "The Future of Social Security," itself underscores growing popular awareness that the future of the Social Security system actually is in doubt. The NAM regards such doubts as well taken.

For over a decade, the NAM has warned of structural imbalance within the Social Security system and the necessity of fundamental reform. NAM attention to the issue quickened during 1995 and 1996, as popular perception of demographic changes affecting the system sharpened, and as the first legislative proposals appeared.

At its September 1996 meeting, the NAM Board approved a resolution on Social Security reform. In April of this year, the Board approved a "Statement of Principles" outlining its position on reform in greater detail. The principles emphasize fairness for individuals and growth for the U.S. economy.

The NAM Statement of Principles for Social Security reform.

The Statement of Principles adopted by the NAM Board are attached to the written testimony provided in advance to the Subcommittee.

While not endorsing any specific reform proposal yet put forward by legislators or public policy institutions, the NAM principles address prerequisites to fundamental reform -- features which a reformed system must possess in order to achieve the goals of fairness for individuals and growth for the

U.S. economy.

Less obviously, but no less importantly, the principles address the fact that structural imbalance of the current Social Security system, not merely insufficient funding, makes reform necessary. A fundamental distinction in testimony that this Subcommittee is likely to hear is between those who view "The Future of Social Security" as a funding issue, and those who see reform as a way to address structural imbalance of the current system. Count the NAM among the latter.

Decoupling of retirement savings from the "safety net" of social insurance --

In addressing structural imbalance of the current system, the first principle for reform is that savings for retirement be separated from the "safety net" of protection against poverty in old age.

Mr. Chairman and members of the Subcommittee, I probably don't have to tell you that what I've referred to as the "first principle" -- that of segregating savings from social insurance -- is the most controversial part of the debate over reform of the Social Security system.

From the point of view of those advocating reform, a separation of the savings function from the social insurance element of the current system is overwhelmingly obvious. Any business-person immediately recognizes that accumulation of reserves -- "savings" -- as a function entirely separate from protecting those reserves through the medium of insurance. Thus, the reaction of pragmatists, such as NAM members, is to make a separate savings function the first principle and cornerstone of reform.

I recognize, of course, that defenders of the current system are likely to disagree vehemently with my assertion that a decoupling of savings from safety-net is "obvious." If I understand their position, it is that the Social Security retirement system represents the great achievement of Twentieth Century liberal democracy -- an intergenerational social compact for centralized and scheduled redistribution of funds acquired through federal taxing authority.

While I respect the right to such views, I disagree profoundly with the assumptions about individuals and about economics on which those views are based. But to spare this Subcommittee a discussion of political theory, I'll simply note that changing demographics are making the current system economically obsolete and unsustainable. Hence, our first principle for reform is that the social insurance element of "Social Security" be separated from the accumulation of retirement savings.

Individual ownership of retirement savings --

The second NAM principle is that individuals should have an ownership interest in the savings that they accumulate over their working lives.

Individual ownership of retirement savings is not only obvious, but well established as a legal principle under pension law. Individuals retain a vested right to their accumulated retirement savings, protected by federal law. Further, such savings are to be accumulated until retirement, and not used for other purposes. In the event of an individual's premature death, the accumulated savings are available to their survivors and heirs.

In short, individuals should "own" their retirement savings, no less than they own a piece of real estate or shares of stock.

Investment of retirement savings free of government control --

The third NAM principle for reform is that amounts saved by individuals for retirement should be held "for the exclusive benefit" of the person doing the savings. To this effect, the government itself should defer to pension law already on the books. The so-called "Exclusive Benefit" rule under ERISA means that retirement savings exist for one purpose -- to provide income to an individual in retirement. Such savings exist for the singular purpose of providing retirement income to the individual who has saved the money. The government should have no right to control investment of the funds.

Accordingly, individuals' savings would be held in trust by fiduciaries responsible to the individuals who had saved the money. And within standards similar to those of ERISA, the individual would direct prudent investments. Obviously, this isn't to say that there would be no pooling of individual accounts -- of course investment managers would pool accounts, in just the same way that hundreds of billions of dollars in pension plan investments and 401(k) plans are currently pooled.

Early implementation of reforms --

In addition, the NAM reform principles emphasize the importance of implementing reforms as soon as possible.

We all recognize the enormity of the transition funding issue. And while detailed proposals for an equitable means of transition funding await the development of econometric models, one thing remains overwhelmingly clear:

Any solution to the issue of transition-period funding ultimately turns upon early implementation of reforms, so that the greatest number of individuals have the greatest amount of time to accumulate individual retirement savings, and thus become less dependent upon the current Social Security system.

Demonstration program for Social Security reform.

Mr. Chairman, the NAM is an organization composed of more than 14,000 member companies that differ in the specifics of their businesses, but that share certain core assumptions. Among the most central assumptions is "practicality" -- whether a proposed strategy or activity will prove successful in achieving its goals.

To this effect, NAM efforts in furtherance of Social Security reform have stressed practical economic and political concerns. We believe reform consistent with the NAM principles is not only an intelligent idea but an eminently doable undertaking.

In making such arguments, the NAM has responded to those who oppose reform, ostensibly at least because they regard reform of the Social Security system as impractical. Opponents of reform argue that the detailed record-keeping and funds transfers under a system of individual accounts are not feasible, and further, that as a practical matter, little popular support exists for changing the current system.

Okay then, let's put Social Security reforms to a practical test.

The NAM, upon its own motion, has endorsed an idea put forward by a member of the Congress for creation of a demonstration program to test the feasibility and popularity of Social Security reform.

Such a demonstration project would allow up to a half-million American workers between the ages of twenty and thirty to participate for a five-year period in a program of individual retirement accounts in lieu of participation in the Social Security retirement system. Individuals would have choices among

selected types of individual account plans. At the end of the demonstration period, the individuals would have the option of returning to coverage under the Social Security system, as though they never had participated in the demonstration project. In the alternative, the individuals could keep their account balances as savings for retirement, and have their Social Security benefits adjusted actuarially to reflect their five-year absence from the system.

We believe that the demonstration program would prove very popular and that it would provide Congress with highly valuable information and detailed data throughout the five-year period. The program would give Congress a considerable amount of information immediately, regarding levels of participation and choices among retirement savings plans. Throughout the demonstration program, Congress would enjoy a continuing source of information on savings patterns, investment choices and operating costs for individual accounts.

We at the NAM took up the idea of a demonstration program without prior discussion with other trade associations or public policy organizations. We welcome their commentary, but we strongly encourage this Subcommittee and Congress to act quickly, and, at the very least, enact legislation setting up the administrative structure for a demonstration program.

Although we are cautious in speaking for them, we suggest that those in the business of pension record-keeping and funds management might be forthcoming with ideas and technical systems support for such a project.

Summary

Mr. Chairman and members of the Subcommittee, in closing I again emphasize the seriousness of the threat to individuals and to the American economy from an unformed entitlement program. Secondly, I invite your attention to the NAM Statement of Principles for reform of the Social Security system. Finally, I encourage this Subcommittee to report out a bill establishing a demonstration program for Social Security reform.

Thank you, Mr. Chairman. I look forward to answering questions.
